

charge ratio) and included as acquisition costs on the recipient TH's Medicare cost report.

(c) *Procurement and transport of a kidney.* When a donor's TH procures and furnishes a kidney to a recipient's TH all of the following are applicable:

(1) All costs must be reasonable and necessary.

(2)(i) The donor's TH bills the recipient's TH.

(ii) The donor's TH bills its charges reduced to cost, or bills its applicable kidney SAC for the reasonable costs associated with procuring, packaging, and transporting the kidney.

(3) The donor's TH records the costs described in paragraph (c)(2)(ii) of this section on its Medicare cost report as kidney acquisition costs and offsets any payments received from the recipient's TH against its kidney acquisition costs.

(4) The recipient's TH records as part of its kidney acquisition costs -

(i) The amounts billed by the donor's TH for the reasonable costs associated with procuring, packaging, and transporting the organ; and

(ii) Any additional testing performed and billed by the donor's TH.

(d) Donor's procurement occurs at recipient TH. In a kidney-paired exchange—

(1) When a donor's TH does not procure a kidney, but the donor travels to the recipient's TH for the organ procurement, the reasonable costs associated with the organ procurement are included on the Medicare cost report of the recipient's TH; and

(2) The travel expenses of the living donor are not allowable Medicare costs.

[86 FR 73515, Dec. 27, 2021, as amended at 87 FR 72290, Nov. 23, 2022]

**§ 413.418 Amounts billed to organ procurement organizations for hospital services provided to deceased donors and included as organ acquisition costs.**

(a) *General.* A donor community hospital (a Medicare-certified non-TH) and a TH incur costs for hospital services attributable to a deceased donor or a donor whose death is imminent. These services must not be part of medical treatment that primarily offers a medical benefit to the patient as deter-

mined by a healthcare team, must be authorized by the OPO, and are included as organ acquisition costs when:

(1) There is consent to donate; and

(2) Declaration of death has been made, or if a declaration of death has not been made, death is imminent and it is necessary that the services be provided prior to declaration of death in order to avoid compromising the viability of the organs for transplant.

(b) *Amounts billed for organ acquisition costs.* When a donor community hospital or TH incurs costs for services furnished to a deceased donor, or a donor whose death is imminent as described in paragraph (a) of this section, as authorized by the OPO, the donor community hospital or TH must bill the OPO the lesser of its customary charges that are reduced to cost by applying its most recently available hospital specific inpatient operating cost-to-charge ratio for the period in which the service was rendered, or a negotiated rate.

[87 FR 72290, Nov. 23, 2022]

**§ 413.420 Payment to independent organ procurement organizations and histocompatibility laboratories for kidney acquisition costs.**

(a) *Principle.* (1) Covered services furnished by IOPOs and histocompatibility laboratories in connection with kidney acquisition and transplantation are reimbursed under the principles for determining reasonable cost contained in this part.

(2) Services furnished by IOPOs and histocompatibility laboratories, that have an agreement with the Secretary in accordance with paragraph (c) of this section, are paid directly by the TH using a kidney SAC (for an IOPO) or contractor-established rates (for a histocompatibility laboratory). (The reasonable costs of services furnished by IOPOs or laboratories are reimbursed in accordance with the principles contained in §§ 413.60 and 413.64.)

(b) *Definitions.* Definitions relevant to this section can be found in § 413.400.

(c) *Agreements with IOPOs and laboratories.* (1) Any IOPO or histocompatibility laboratory that wishes to have the cost of its pre-transplant services reimbursed under the